

STATE OF MICHIGAN



JOHN ENGLER, Governor

**DEPARTMENT OF TREASURY**

TREASURY BUILDING, P.O. BOX 15128, LANSING, MICHIGAN 48901  
DOUGLAS B. ROBERTS, State Treasurer

**STATE TAX COMMISSION**

4th Floor Treasury Building  
Lansing, Michigan 48922 - Telephone (517) 373-0500

**COMMISSION MEMBERS**

Lesley F. Holt  
Leroy J. Nelson

**TO:** County Clerks, Treasurers, Equalization Directors, and  
Chairpersons of Boards of Commissioners;  
Township Clerks, Treasurers, Supervisors, and Assessors;  
City Clerks and Assessors;  
Village Clerks;  
School Districts Boards of Education;  
Intermediate School Districts;  
Community Colleges Boards of Trustees;  
Authority Governing Bodies

**FROM:** State Tax Commission

This bulletin is being distributed through the above named governmental clerks for their further distribution to the named officials in those governmental units. The cooperation of the clerks is appreciated.

Calculation forms L-4034 and L-4029 with instructions are attached for use in calculating the 1992 millage reduction fractions and for submitting the 1992 millage requests to the county board of commissioners.

Implementation of Act 135, PA 1991 on Millage Rollbacks

MCL 211.34d (Headlee) - The 1992 millage reduction fraction (MRF) under section 34d shall not be calculated. The 1992 compound millage reduction fractions (CMRF) shall equal the 1991 compound millage reduction fractions except where there have been elections to override the reduction fractions or where millage has been voted in 1991 or 1992. Millage approved by the voters after May 31, 1991 will not be subject to a millage reduction for the 1992 tax levy under Section 34d.

MCL 211.34 - Act 135 does not change the requirements of truth in assessing and truth in county equalization for the 1992 tax levies. These reduction fractions shall be calculated and applied for 1992. Section 34 millage rollback requirements are not applicable to a school district, intermediate school district or a community college district.

MCL 211.24e - Act 135 does not change the requirement for truth in taxation for 1992. The base tax rate shall be calculated using the same procedures as used in 1991. Included with this bulletin is a sample notice for publishing a truth in taxation hearing. This form (L-4297) meets the minimum requirements of Section 24e as amended by PA 75 of 1991.

Act 75 changed the notice requirement to include two additional items: 1) The notice must include a statement that the date and location that the taxing unit plans to take action on the proposed resolution or ordinance will be announced at the public hearing. 2) In addition to the publication of the proposed increased millage and the percentage of increase due to the additional millage; it requires publication of the percentage of increased revenue from the immediately preceding year that the taxing unit would receive if the additional millage is not approved. (This is computed by multiplying the current year's base tax rate by the current year's SEV of the taxing unit and comparing this revenue estimate to the preceding year's operating tax levy.

Act 75 changed the approval time to not more than 10 days after the public hearing. The previous time limitation was not less than 7 days after the hearing. This change allows the taxing unit to approve the additional millage at the same meeting as the public hearing.

## TRUTH IN TAXATION NOTICE

### INSTRUCTIONS TO LOCAL GOVERNMENTS

Section 211.24e MCL as amended by P.A. 75 of 1991 requires that notice of public hearing be published by a local taxing unit which proposes to increase operating tax levies over the maximum amount allowed to be levied without a hearing. Notice may be published alone or included with the notice of public hearing on a unit's budget held pursuant to Section 141.412 MCL. The model notice at right fulfills the requirements under Section 211.24e MCL. It can be completed with all the information provided for, detached from these instructions and provided to the appropriate newspaper for publication.

Other pertinent information can be included in the notice. This sample notice form meets minimum legal requirements.

In addition to publishing requirements, the notice must be posted at the principal office of the taxing unit.

The notice must be published in a newspaper of general circulation in the taxing unit. Publication must occur six or more days before the public hearing.

The proposed additional millage rate must be established by a resolution adopted by the governing body of the taxing unit before it conducts the public hearing.

Not more than ten days after public hearing, a taxing unit may approve the levy of an additional millage rate equal to or less than the proposed additional millage rate that was published and on which a public hearing has been held.

### INSTRUCTIONS TO NEWSPAPERS

The following notice is required by Section 211.24e MCL which provides:

1. The body of the notice must be set in 12 point type or larger.
2. The headline "Notice of Public Hearing on Increasing Property Taxes" must be set in 18 point type or larger.
3. The notice cannot be smaller than 8 column inches by 4 horizontal inches.
4. The notice cannot be placed in the portion of the newspaper reserved for legal notices or classified advertising.

## Notice of Public Hearing on Increasing Property Taxes

The \_\_\_\_\_  
name of governing body  
of the \_\_\_\_\_  
name of taxing unit  
will hold a public hearing on a proposed increase  
of \_\_\_\_\_ mills in the operating tax millage rate  
rate  
to be levied in \_\_\_\_\_  
year  
The hearing will be held on \_\_\_\_\_  
day  
\_\_\_\_\_ at \_\_\_\_\_  
date time a.m. / p.m.  
at \_\_\_\_\_

place - address

The date and location of the meeting to take action on the proposed additional millage will be announced at this public meeting.

If adopted, the proposed additional millage will increase operating revenues from ad valorem property taxes \_\_\_\_\_ % over such revenues generated by levies permitted without holding a hearing. If the proposed additional millage rate is not approved the operating revenue will increase by \_\_\_\_\_ % over the preceding year's operating revenue.

The taxing unit publishing this notice, and identified below, has complete authority to establish the number of mills to be levied from within its authorized millage rate.

This notice is published by:

name of taxing unit

address

address

telephone

# 1992 MILLAGE REDUCTION FRACTION CALCULATIONS WORKSHEET

## INCLUDING MILLAGE REDUCTION FRACTION CALCULATIONS NOT SPECIFICALLY ASSIGNED TO THE COUNTY EQUALIZATION DIRECTOR BY LAW

County	Taxing Jurisdiction
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1991 Total State Equalized Valuation (SEV) \_\_\_\_\_  
 1992 Total State Equalized Valuation (SEV) \_\_\_\_\_  
 Losses, State Equalized Valuation (SEV) \_\_\_\_\_  
 Additions, State Equalized Valuation (SEV) \_\_\_\_\_  
 1992 Total Assessed Valuation (AV) \_\_\_\_\_  
 1992 Total County Equalized Valuation (CEV) \_\_\_\_\_

P.A. 135 of 1991, Section 5(b) - Millage Reduction Fraction under Section 34d shall not be calculated for 1992.

1. ~~Section 211.34d, MCL, "Headlee" (for each unit of local government)~~

$$\frac{\text{1990 Total S.E.V.} - \text{1991 Losses S.E.V.} \times \text{Inflation Rate}^*}{\text{1991 Total S.E.V.} - \text{1991 Additions S.E.V.}} = \text{1991 Millage Reduction Fraction (Headlee)}$$

- 2a. Section 211.34, MCL, "Truth in Assessing" (for cities and townships if S.E.V. exceeds A.V. for 1992 only)

$$\frac{\text{1992 Total Assessed Valuation}}{\text{1992 Total State Equalized Valuation}} = \text{1992 Rollback Fraction (Truth in Assessing)}$$

- 2b. Section 211.34, MCL, "Truth in County Equalization" (for villages, counties and authorities if S.E.V. exceeds C.E.V. for 1992 only)

$$\frac{\text{1992 Total County Equalized Valuation}}{\text{1992 Total State Equalized Valuation}} = \text{1992 Rollback Fraction (Truth in County Equalization)}$$

3. Section 211.24e, MCL, "Truth in Taxation" (for each taxing jurisdiction that levied more than 1 mill for operating purposes in 1991 only)

$$\frac{\text{1991 Total S.E.V.} - \text{1992 Losses S.E.V.}}{\text{1992 Total S.E.V.} - \text{1992 Additions S.E.V.}} = \text{1992 Base Tax Rate Fraction (Truth in Taxation)}$$

**NOTE:** The truth in taxation BTRF is independent from the cumulative millage reductions provided by sections 211.34d and 211.34. The Base Tax Rate equals the BTRF X 1991 Operating Rate levied.

**INSTRUCTIONS FOR  
1992 TAX RATE REQUEST  
Millage Request Report to County Board of Commissioners**

These instructions are provided under MCL Sections 211.24e (truth in taxation), 211.34 (truth in county equalization and truth in assessing), 211.34d (Headlee), and 211.36 and 211.37 (apportionment).

**Column 1: Source.** Enter the source of each millage. For example, 15 mill allocation, separate millage limitations voted, charter, approved extra-voted millage, public act no., etc.

**Column 2: Purpose of millage.** Examples are: operating, building and site, debt service, special assessments, etc.

**Column 3: Date of Election.** Enter the month and year of the election for each millage authorized by direct voter approval.

**Column 4: Maximum Millage Authorized.** List the allocated rate, charter aggregate rate, extra-voted authorized before 1979, each separate rate authorized by voters after 1978, debt service rate, etc. (This rate is the rate before reduction caused by MCL Section 211.34 if state equalized valuation exceeds county equalized valuation or assessed valuations).

**Column 5: 1991 Compounded Millage Reduction Fraction.** List the applicable millage reduction fraction from column 7 of your 1991 Tax Rate Request (form L-4029) for each separate millage listed.

**Note:** These 1991 compounded millage reduction fractions may not be the same for all millages to be levied by a taxing district. Also, voters could have increased one or more of these fractions to a maximum of 1.0000.

**Column 6: Current Year Millage Reduction Fraction.** ~~List the millage reduction fraction certified by the county treasurer for the current year.~~ **Enter 1.0000 because of MCL 211.10(5)(b) in P.A. 135 of 1991.**

**Column 7: Applicable Millage Reduction Fraction.** For millage not subject to reduction, enter 1.0000. For millage subject to the reduction fraction from a single year, enter the lower of 1.0000 ~~or the current year millage reduction fraction.~~ For millage subject to the reduction fraction for more than one year, enter the compounded millage reduction fraction for the period since authorization was voted, (See examples on back.) ***The 1992 compound millage reduction fraction will be the same as 1991 (column 5) unless voters approve a waiver of millage reduction.***

**Column 8: Section 211.34 Millage Reduction Fraction.** List the millage reduction fraction for 1992 for each millage which is an operating rate. Use 1.0000 for school districts, for special assessments and for bonded debt retirement levies. For counties, villages and authorities, calculate as TOTAL CEV/TOTAL SEV. For townships and cities, calculate as TOTAL ASSESSED VALUATION/TOTAL STATE EQUALIZED VALUATION. This fraction shall not exceed 1.0000. Use 1.0000 for an authority located in more than one county.

**Column 9: Maximum Allowable Millage Levy.** Multiply column 4 (maximum millage authorized) by column 7 (applicable millage reduction fraction) and also by column 8 (Section 34 millage reduction fraction). Round the rate to the nearest 0.0001 mill.

**Column 10/Column 11: Millage Requested to be Levied.** Enter the tax rate approved by the unit of local government provided that the rate does not exceed the maximum allowable millage levy (column 9). A millage rate that exceeds the base tax rate cannot be requested unless the requirements of the hearing, etc., have been met.

***Special note for 1992 and future years, per P.A. 38 of 1991: Millage voted in an April biennial school district election in 1991 and beginning in 1992, any millage voted after March 31 shall not be subject to MCL 211.34d millage reduction until the following year if the ballot question states that the mills will not be subject to Article 9, Section 31 until the following year.***

## Examples For Column 7

- a. For millage approved by the voters after May 31, 1991, use 1.0000 for the first year. (For 1992 only.)
- b. For debt service or special assessments not subject to a millage reduction fraction, enter 1.0000.
- c. For millage authorized by county tax allocation board enter the compounded millage reduction fraction beginning with the 1979 reduction fraction, unless there has been voter approval of an increase in the fraction restoring it to 1.0000, etc.
- d. For a separate millage limitation voted after 1978, enter the compounded millage reduction fraction beginning with the date of voter approval (see (a.) above). Separate millage approved before 1979 is to be reduced in the same manner as millage allocated by the tax allocation board. Revoting of separate millage limitations constitutes approval by the voters as of the date of the most recent election approval.
- e. There is not necessarily a single millage reduction fraction for all millages authorized for a single taxing jurisdiction. For example, in 1992, a school district might have a separate limitation of 9.0 mills subject to the compounded millage reduction fraction for each year from 1979 through 1991. In 1984, it might have voted 10 extra mills reduced by the compounded millage reduction fraction for each year from 1985 through 1991. It might also have voted five extra mills between June 1, 1991 and December 7, 1992 which would have a fraction of 1.0000.
- f. The applicable millage reduction fraction for any millage cannot exceed 1.0000. By statute, the 1979 reduction fraction is limited to 1.0000. Thereafter, the compounded millage reduction fraction cannot exceed 1.0000. The compounded millage reduction fraction for a year is equal to the compounded reduction fraction for the prior year multiplied by the current year millage reduction fraction, but not to exceed 1.0000.

~~After a unit of local government has been subjected to a millage reduction fraction of less than 1.0000, such as .90000, the compounded millage reduction fraction might increase due to a subsequent current year reduction fraction larger than one, such as 1.2000, Except in 1992, see 211.10(5)(b).~~

When this occurs, the compounded millage reduction fraction of .9000 X the current year millage reduction fraction of 1.200 = 1.0800. The compounded 1.0800 would become 1.0000 because that is the maximum limit for the compounded fraction. If in the following year, the current year reduction fraction was .9500, the compounded millage reduction fraction would be 1.0000 X .9500, and not 1.0260 (1.0800 X .9500). Calculated compounded millage reduction fractions which would exceed 1.0000 cannot be "banked" to offset future reductions. - **(This will not apply for 1992).**

**Date of Election to Authorize Millage.** A millage authorized by voters after May 31 is not subject to a millage reduction until the year following the authorization. (MCL 211.34d(9)). ***In 1992, millage voted after May 31, 1991 or in an April biennial school district election in 1991 will not be reduced under MCL 211.34d).***

**Waiver of Constitutional Millage Reductions.** Voters may approve the levy in that year of the local government unit's authorized millage without regard to the required millage reduction or to increase that year's compounded millage reduction fraction to 1.0000. (MCL 211.34d(11)). ***Voter approval in 1991 or 1992 will result in CMRF's of 1.0000 for 1992.***

**Waiver of Future Constitutional Millage Reductions Prohibited.** A unit of local government cannot obtain voter approval to disregard the constitutional reduction for future years, ie. voters cannot approve a waiver in 1990 for 1991 or any other future year. The waiver approval by the voters may be obtained in the same year in which that year's Constitutional Reduction is to be waived. ***Except that a waiver approved in 1991 carries forward until 1992.***

**Date of Election for Waiver of Constitutional Millage Reductions.** A unit of local government that obtains voter approval after May 31 to levy its authorized millage without regard to the required constitutional millage reduction would not be subject to a rollback in that year. For example, if the voters approved the waiver of the constitutional millage reductions at an election on June 3, 1991, the compound millage reduction fraction for 1991 tax levies would be equal to 1.0000 for each millage rate authorized for that unit of local government. ***An April biennial school district election in 1991 or the June 3, 1991 or later election would carry forward with 1.0000 applicable millage reduction fractions on the 1992 form L-4029, see 211.10 (5)(6).***

# 1992 TAX RATE REQUEST

## MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

County	1992 SEV (As of 5-26-92)
Local Government Unit	

ORIGINAL TO: County Clerk(s)  
COPY TO: Equalization Department(s)  
COPY TO: Each township or city clerk

You must complete this form for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119.  
The following tax rates have been authorized for levy on the 1992 tax roll.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Source	Purpose of Millage	Date of Election	Maximum Millage Authorized	1991 Compound Millage Reduction Fraction	Current Year Millage Reduction Fraction	Applicable Millage Reduction Fraction	Sec. 211.34 Millage Reduction Fraction	Maximum Allowable Millage Levy *	Millage Requested to be Levied July 1	Millage Requested to be Levied Dec. 1
					1.0000					
					1.0000					
					1.0000					
					1.0000					
					1.0000					
					1.0000					
					1.0000					
					1.0000					
					1.0000					

Prepared by	Title	Date
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As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e and 211.34.

<input type="checkbox"/> Clerk	Signature	Type Name	Date
<input type="checkbox"/> Secretary			
<input type="checkbox"/> Chairperson	Signature	Type Name	Date
<input type="checkbox"/> President			

\* Under Truth in Taxation, MCL Section 211.24e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate allowed in column 9. A public hearing and determination is required for an operating levy which is larger than the base tax rate but not larger than the rate in column 9.